



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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June 8, 1999

CERTIFIED RETURN RECEIPT

P 074 976 695

Gary L. Jacobson
San Rafael Energy, Inc.
P.O. Box 250
Moab, Utah 84532

Re: Final Release for Completion of Reclamation, San Rafael Energy Inc., Four Corners Mine, M/015/014 and Snow Mine M/015/013, Emery County, Utah

Dear Mr. Jacobson:

On October 9, 1998 Division staff performed a site inspection of the Snow Mine. The inspection concluded that the shaft closures are intact and revegetation success is fair, given the minimal amounts of topsoil available for reclamation. On January 21, 1999 Division and BLM staff performed a site inspection of the Four Corners Mine. The area where the buildings had been removed was stable with fair revegetation success. The mine portal closure was intact with good revegetation success relative to the natural vegetative cover in the area.

One reason for the delay in proceeding with the formal release of the Four Corners Mine was the existence of a subsidence hole near the county road in the area near the two buildings included in the Four Corners permit area. The subsidence may be the expression of a backfilled shaft which has settled, or an underground opening which has subsided to the surface. Division files were reviewed to resolve the issue of reclamation responsibility for this subsidence feature. There was no information in the Division files which clearly identified a mine opening in that area as part of the 1989 permit transfer from Atlas Minerals to San Rafael Energy, Inc. Atlas Minerals had performed partial reclamation of the mine site and received release of those reclaimed areas by the Division prior to the transfer. The subsidence hole has been filled in and does not currently pose a safety hazard. The hole has previously been filled several times by a cooperative effort between the BLM and County road department.

In a June 7, 1999 telephone conversation Dean Nyffeler of the Price BLM Field Office informed the Division that BLM was in agreement with the final release of the reclamation surety being held for the Snow and Four Corners Mines. On behalf of the Division, and with the permission of the BLM, San Rafael Energy, Inc. is hereby released from further reclamation responsibility at the Snow Mine site and the Four Corners Mine site. The Division will now close file M/015/013 for the Snow Mine and file M/015/014 for the Four Corners Mine.

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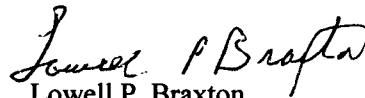
M/015/013 and M/015/014

June 8, 1999

The reclamation surety currently held by the Division for revegetation success is a certificate of deposit with Zions Bank under account number 564-900063-4 in the amount of \$2,000. This reclamation surety is also hereby released for your disposal.

If you wish to conduct future mining in this area, you will have to submit a new notice to the appropriate agencies, pay the appropriate Division permit fee, and receive written approval prior to creating any disturbance. If you have any questions or concerns regarding this action, please contact Tony Gallegos of the Minerals staff at (801) 538-5267. Thank you for cooperation in reclaiming these project disturbances.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lowell P. Braxton".

Lowell P. Braxton
Division Director

jb

Enclosure: Certificate of Deposit # 564-900063-4

cc: Dean Nyffeler, BLM, Price FO

m15-14.ret